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# Office of Contracting and Procurement

FY 2002 Proposed Operating Budget:	\$13,066,450
FY 2002 Proposed Capital Budget:	\$2,000,000
FY 2002–FY 2007 Capital Improvements Plan:	\$3,500,000

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The Office of Contracting and Procurement provides every city agency with procurement services to effectively perform the functions of government in a customer-focused, timely, and cost-effective manner.

## Budget Summary

The FY 2002 proposed operating budget for the Office of Contracting and Procurement (OCP) is \$13,066,450, a decrease of \$2,270,550, or 14.8 percent, from the FY 2001 approved budget (table PO0-1). The decrease is the result of savings initiatives occurring in FY 2001. There are 164 full-time equivalent (FTE) positions supported by this budget, a decrease of 59 FTEs from FY 2001 (table PO0-2).

The FY 2002 proposed capital budget totals \$2,000,000 for FY 2002 and \$3,500,000 for FY 2002–FY 2007 for one new capital project. OCP's capital program will address procurement reform within the District.

## Strategic Issues

- Implement service-level agreements to help agencies plan and manage procurement needs in a more efficient and timely manner.
- Enhance the current electronic procurement system to allow development, execution, and administration of contracts more effectively.
- Ensure that all OCP staff and agency program personnel receive competency-based procure-

ment training in courses tailored to District laws and regulations.

## FY 2002 Initiatives

- Transition to a commodity-based structure system supported by matrix teams for complex procurements.
- Establish an integrated product team to support the procurement of capital projects and services.

## Agency Background

OCP was created in accordance with Act 12-249, and the Chief Procurement Officer Qualification Act of 1997. These acts centralized all procurement functions with the associated personnel and budget authority, under the authority of the chief procurement officer.

## Programs

OCP provides services in three primary programs: Contract Operations, Contract Support, and Contract Administration. Figure PO0-1 shows the agency organization.

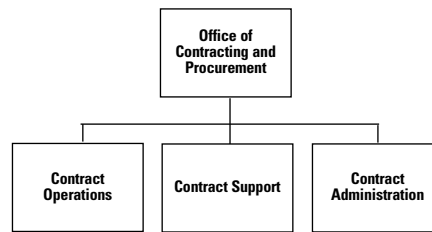
**Contract Operations** provides essential acqui-

**The FY 2002 proposed operating budget is \$13,066,450, a decrease of \$2,270,550, or 14.8 percent, from the FY 2001 approved budget.**

**The proposed capital budget is \$2,000,000 in FY 2002.**

Figure PO0-1

## Office of Contracting and Procurement



sition services for 33 District agencies under the authority of the Mayor, as well as independent agencies subject to the Procurement Practices Act. These services account for over \$1.5 billion in acquisitions, including 1,600 contract actions and 19,000 small purchases.

**Contract Support** promotes the Mayor's commitment to economic development by procuring goods from local, small, and disadvantaged businesses pursuant to D.C. Law 6-85. It implements supply schedules, which enable agencies to accelerate and simplify the buying of goods and services without competition because prices have been pre-negotiated with certain vendors. The program is also responsible for deploying purchase cards that further empower agencies to obtain goods and services more expeditiously and travel cards that are designed to facilitate and streamline the process for official and government travel-related services. Contract support also provides procurement training to OCP staff and agency program personnel.

**Contract Administration** provides leadership, management, and administrative services and policy direction for OCP. The program develops and issues OCP policies and procedures. Administration is also responsible for maintaining communications with internal and external customers, managing and training personnel, and providing the necessary tools to support contracting.

### Funding Summary

OCP receives 100 percent of its funding from local revenue. In FY 2002, personal services will decrease by \$1,867,709 and nonpersonal services by \$402,841.

The change in personal services comprises a \$2,522,709 decrease associated with savings initia-

tives occurring in FY 2001, partially offset by a \$655,000 increase in FY 2002 in recognition of the increased responsibilities associated with the departure of the Control Board. Refer to the FY 2002 Operating Appendices (bound separately) for details.

The changes in nonpersonal services comprises the following:

- \$427,214 decrease in supplies and other services and charges (including janitorial and security services)
- \$164,836 increase in equipment
- \$91,922 decrease in utilities, telecommunications, and rentals
- \$48,541 decrease in utilities and telecommunications for management reform savings.

### Capital Improvements

The new proposed funding for OCP's capital program is \$2,000,000 in FY 2002 and \$3,500,000 for FY 2002–FY2007 (table PO0-3). The agency will receive funding to develop a customized e-procurement system. This system will help OCP achieve procurement reform through customer-driven programs that interface with inventory levels of consumable goods, and by processing and tracking procurement requests following sealed bid submissions. The funding will also allow for the determination of procurement requirements, establishment of best procurement practices, acquisition and implementation of procurement software, and training of end users of the system. Refer to the FY 2002 Capital Appendices (bound separately) for details.

Table PO0-1

**FY 2002 Proposed Operating Budget, by Comptroller Source Group**

(dollars in thousands)

Office of Contracting and Procurement

	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>	<b>Change from FY 2001</b>
Regular Pay - Cont. Full Time	9,755	10,511	8,938	-1,573
Additional Gross Pay	605	0	100	100
Fringe Benefits	1,549	1,649	1,254	-395
<i>Subtotal Personal Services (PS)</i>	<i>11,909</i>	<i>12,160</i>	<i>10,292</i>	<i>(1,868)</i>
Supplies and Materials	255	320	125	-195
Utilities	68	120	88	-32
Communications	564	170	98	-72
Rentals - Land and Structures	101	127	91	-36
Janitorial Services	0	0	72	72
Security Services	0	0	101	101
Other Services and Charges	1,338	2,170	1,766	-404
Contractual Services	28	0	0	0
Equipment and Equipment Rental	235	270	435	165
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>2,589</i>	<i>3,177</i>	<i>2,774</i>	<i>(403)</i>
<b>Total Proposed Operating Budget</b>	<b>14,498</b>	<b>15,337</b>	<b>13,066</b>	<b>(2,271)</b>

Table PO0-2

**FY 2002 Full-Time Equivalent Employment Levels**Office of Contracting and Procurement

	<b>Actual FY 2000</b>	<b>Approved FY 2001</b>	<b>Proposed FY 2002</b>	<b>Change from FY 2001</b>
Continuing full time	171.5	223.0	164.0	-59.0
<b>Total FTEs</b>	<b>171.5</b>	<b>223.0</b>	<b>164.0</b>	<b>-59.0</b>

**Trend Data**

Table PO0-4 and figure PO0-2 show expenditure and employment histories for FY 1998-FY 2002.

Services Cluster; Tracy Usry, Interim Assistant Director, Public Safety Cluster  
*Supervisor:* Jacques Abadie III, Chief Procurement Officer

**Agency Goals and Performance Measures**

**Goal 1. Reduce processing time for small purchases (less than \$25,000).**

*City-wide Strategic Priority Area:* Making government work

*Managers:* James Parks, Assistant Director, Human

**Performance Measure 1.1: Number of agencies using purchase cards for micropurchases (less than \$2,500)**

	<b>Fiscal Year</b>				
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Target	NA	25	30	35	35
Actual	NA	24	-	-	-

Table PO0-3

**Capital Improvement Plan, FY 2000–FY 2007**

(dollars in thousands)

Office of Contracting and Procurement

Cost Elements	FY 2000	Through FY 2001	Budgeted Total	EXPENDITURE SCHEDULE						6 Years Budget	Total Budget
				Year 1 FY 2002	Year 2 FY 2003	Year 3 FY 2004	Year 4 FY 2005	Year 5 FY 2006	Year 6 FY 2007		
a. Design	2,021	30	2,051	500	0	0	0	0	0	500	2,551
b. Site	0	0	0	0	0	0	0	0	0	0	0
c. Project management	0	0	0	500	500	0	0	0	0	1,000	1,000
d. Construction	553	426	979	0	0	0	0	0	0	0	979
e. Equipment	0	70	70	1,000	1,000	0	0	0	0	2,000	2,070
<b>Total</b>	<b>2,574</b>	<b>526</b>	<b>3,100</b>	<b>2,000</b>	<b>1,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,500</b>	<b>6,600</b>

	FY 2000	FY 2001	Budgeted Total	FUNDING SCHEDULE						6 Years Budget	Total Budget
				Year 1 FY 2002	Year 2 FY 2003	Year 3 FY 2004	Year 4 FY 2005	Year 5 FY 2006	Year 6 FY 2007		
a. Long-term financing	3,100	0	3,100	0	0	0	0	0	0	0	3,100
b. Tobacco securitization	0	0	0	0	0	0	0	0	0	0	0
c. Grants	0	0	0	0	0	0	0	0	0	0	0
d. Pay go	0	0	0	0	0	0	0	0	0	0	0
e. Hwy trust fund	0	0	0	0	0	0	0	0	0	0	0
f. Equipment lease	0	0	0	0	0	0	0	0	0	0	0
g. Alternative financing	0	0	0	2,000	1,500	0	0	0	0	3,500	3,500
h. Other	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3,100</b>	<b>0</b>	<b>3,100</b>	<b>2,000</b>	<b>1,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,500</b>	<b>6,600</b>

**Performance Measure 1.2: Average cycle time (days)  
for small purchases (\$2,501 to \$25,000)**

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	NA	15.0	13.0	11.0	9.0
Actual	NA	12.4	–	–	–

**Performance Measure 2.1: Percentage of contracts  
reviewed and approved within 5 working days**

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	NA	50	80	85	90
Actual	NA	75	–	–	–

**Goal 2. Review and approve contracts within 5  
working days.***City-wide Strategic Priority Area:* Making govern-  
ment work*Manager:* Jacques Abadie III, Chief Procurement  
Officer*Supervisor:* John Koskinen, Deputy Mayor/City  
Administrator**Goal 3. Institute commodity-buying groups.***City-wide Strategic Priority Area:* Making govern-  
ment work*Manager:* Jacques Abadie III, Chief Procurement  
Officer*Supervisor:* John Koskinen, Deputy Mayor/City  
Administrator

Table PO0-4

**FY 2002 Proposed Operating Budget, by Revenue Type**

(dollars in thousands)

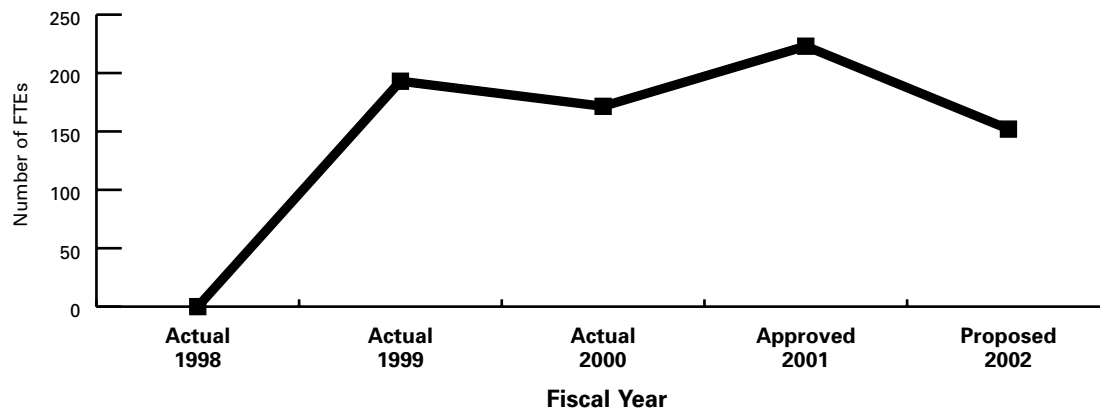
Office of Contracting and Procurement

	Actual FY 1998	Actual FY 1999	Actual FY 2000	Approved FY 2001	Proposed FY 2002
Local	0	13,870	13,356	15,337	13,066
Other	0	0	422	0	0
Intra-District	0	1,218	720	0	0
<b>Gross Funds</b>	<b>0</b>	<b>15,088</b>	<b>14,498</b>	<b>15,337</b>	<b>13,066</b>

Figure PO0-2

**Office of Contracting and Procurement Employment Levels, FY 1998-FY 2002**

(gross FTEs)

**Performance Measure 3.1: Number of commodity buying groups implemented each year**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	1	1	1
Actual	NA	NA	–	–	–

**Performance Measure 4.1: Percentage of agencies with service-level agreements (SLAs) in place that project agency procurement needs**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	50	90	95
Actual	NA	NA	–	–	–

**Goal 4. Engage in acquisition planning with agencies.***City-wide Strategic Priority Area:* Making government work*Manager:* James Parks, Assistant Director, Human Services Cluster; Tracy Usry, Interim Assistant Director, Public Safety Cluster*Supervisor:* Jacques Abadie III, Chief Procurement Officer**Performance Measure 4.2: Percentage of contracts awarded in accordance with SLAs**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	30	60	70
Actual	NA	NA	–	–	–

**Goal 5. Implement a tracking system to obtain status of contract actions.**

*City-wide Strategic Priority Area:* Making government work

*Manager:* Gregory Dean, Assistant Director,  
Purchasing Technologies

*Supervisor:* Jacques Abadie III, Chief Procurement Officer

**Performance Measure 5.1: Percentage of contract tracking system (CTS) implemented with customer status**

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	NA	NA	50	80	100
Actual	NA	NA	—	—	—

**Goal 6. Train staff to adequately execute the OCP mission.**

*City-wide Strategic Priority Area:* Making government work

*Manager:* Ann Jackson, Assistant Director,  
Professional Community Management (HR)

*Supervisor:* Jacques Abadie III, Chief Procurement Officer

**Performance Measure 6.1: Percentage of Management Supervisory Service (MSS) staff having approved individual development plans (IDP)**

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	NA	95	100	100	100
Actual	NA	100	—	—	—

**Performance Measure 6.2: Percentage of staff receiving procurement training in accordance with their individual development plans (IDP)**

	1999	2000	Fiscal Year		
			2001	2002	2003
Target	NA	NA	50	70	80
Actual	NA	NA	—	—	—